

Chapter One

Introduction

Human capital is the most valuable asset in any organization. As such, organizations need to provide high job satisfaction for their employees in order to increase productivity effectively. For instance, China has shown a tremendous economic growth over the years and good labor performance has contributed mostly to this. With the fast growing the number of companies, the competition in the market is more vigorous and the key role is developing qualified employees. Organizations should maximize its own talent pool and ensure its workforce to have the right skills and is able to create new products in different markets. In addition, organizations need to do anything possible to retain these “highly skilled” employees. One way is to provide them with the necessary job satisfaction and desired wage.

1.1. Objectives of the Project

This chapter looks at the objectives of the project and some limitations.

- a) To analyze the current job satisfaction situation
- b) To identify the real reasons why some employees are not contented with their jobs
- c) To analyze the current pay and benefit system in China Eastern Airlines
- d) To adjust some employees' benefits to increase job satisfaction

1.2. Limitations

Several problems were encountered for the completion of the project.

Firstly, there are only two months to research on the project from June to August. And therefore could not be obtained due to the time constraint.

Secondly, when conducting survey with the organization tend to get out of it, thinking that it is a waste of time. So the researcher can not get adequate information to analyze.

Chapter Two

The Organization

This chapter describes the organization's history and highlights its new business in China.

2.1 Organization's History

China Eastern, one of three Chinese state-owned large key aviation enterprise groups, was recombined in 2002 by merging China Xi Bei Airlines and combining with Yunnan Airlines on basis of former China Eastern Group. The headquarter of this group is in the most famous and advanced city—Shanghai, with holding large airline net running through China eastern and western parts and also connecting with Asia, Europe, Australia and Americas.

China Eastern Airlines Corporation Limited is a core enterprise of China Eastern Group. It is first Chinese airline company listed in Hong Kong, New York and Shanghai. China Eastern Airlines was set up in June 25, 1988. In 1997, China Eastern took over loss-making China General Aviation and also became the country's first airline to offer shares on the international market.

It is one of the major Chinese airlines which operate not only international and domestic but also regional routes. Its main base is Shanghai Pudong International Airport, and with a hub at Shanghai Hongqiao International Airport. Until now, China

Eastern Airlines has 168 large and middle-sized transport aircrafts, 22 airplanes which operate 450 domestic and foreign flight courses.

A swallow flying between the sun and the sea, the logo of Eastern Airlines, symbolizes safe and swift flights of the airlines



(Source:<http://www.ce-air.com>)

Having a centralized system, China Eastern Airlines can process clients and provide administrative services like ticketing, tourism, frequent flyer programs, customer enquiries, suggestions and complaints, marketing, and passenger and freight transport. Because of this a flexible network and multi-channel service, China Eastern Airlines has been able to increase its ticket sales and earnings by providing excellent customer service.

Plural expansion is one important element of group strategy. With firstly setting up the aviation import and export, financial service, aviation foodstuffs, travel ticket, property and real estate, general aviation, machinery production, advertising media and other accessory fields, the plural expansion has formed a wholly-new pattern.

2.2 Organization's Objectives

China Eastern Airline is using innovation to promote the development, focus on enterprise core competitive strength, creating world aviation enterprise brand and realizing the quick, steady and continuous development.

2.3 Organization's Current Activities

i) As the summer holiday is coming, China Eastern Airlines has a strong presence on routes in Asia, Europe, North America and Australia. China Eastern Airlines are operating five times a week in summer season on Mondays, Tuesdays, Thursdays, Saturdays and Sundays from Shanghai to London Heathrow Airport, and are flying two flights on Thursdays and Saturdays currently.

ii) Because China mainland tourists can fly to Taiwan in direct way from July 4th, China Eastern Airlines announced ticket sales for weekend chartered flights across the Taiwan Strait over the next eight weeks. China Eastern Airline is among the six airlines from the mainland and five from Taiwan which are operating round flights of the weekend service between five terminals in the mainland and five in Taiwan.

Chapter Three

Literature Review on Job Satisfaction and Pay & Benefits

This chapter describes the theoretical part of the project. The part reviews what are job satisfaction, pay and benefits.

3.1 Job Satisfaction

Job satisfaction has been defined as a pleasurable emotional state resulting from the appraisal of one's job (Locke, 1976 cited in Brief, A. P., & Weiss, H. M. 2001); an affective reaction to one's job (Cranny, Smith & Stone, 1992 cited in Weiss, H. M. 2002); and an attitude towards one's job (Brief, 1998 cited in Weiss, H. M. 2002). Weiss (2002) has argued that job satisfaction is an attitude but pointed out that researchers should clearly distinguish the objects of cognitive evaluation which are affect (emotion), beliefs and behaviors (Weiss, H. M. 2002).

Greater job satisfaction has also been generally related to reduced intent to leave the organization (Brayfield & Crockett, 1955; Mowday, Koberg, & McArthur, 1984) and with reduced rates of absenteeism (Porter & Steers, 1973). In addition, job satisfaction has also been shown to be strongly related to organizational commitment (Porter, Steers, & Mowday, 1974) and to organizational citizenship behaviors (Smith, Organ, & Near, 1983; Organ, 1988). Past research on job satisfaction has shown that workers who are satisfied in their jobs will be cooperative and well motivated than others; those who are dissatisfied will be more inclined than others to: produce low quality

output, go on strike, and be absent from work, and eventually to leave the organization.

3.1.1. Importance of Job Satisfaction

The importance of job satisfaction is obvious. Managers should be concerned with the level of job satisfaction in the company for at least 3 reasons:

- 1) There is clear evidence that dissatisfied employees skip work more often and are more likely to resign.
- 2) It has been demonstrated that satisfied employees have better health and live longer.
- 3) Satisfaction on the job carries over to the employee's life outside the job.

3.1.2. Supervisors and Co-workers

The two primary kinds of people in an organization who affect job satisfaction are co-workers and supervisors.

A person may be satisfied with his/her supervisor and co-workers for one of three reasons. First, he/she may have same values, attitude, and philosophies that the co-workers and supervisors have. Most individuals find this is important. In fact, many organizations may try to build a culture which can be shared value among all the employees. Even if one can not generate a unifying culture throughout an entire organization, it is worth noting that increases in job satisfaction can be derived simply from congruence among supervisors and subordinates at one level.

Second, the person may be satisfied with his/her supervisors and co-workers because they provide social support. Social support means the degree to which the person is surrounded by other people who are sympathetic and caring. Lots of researches indicated that social support is a strong predictor of job satisfaction, whether the support comes from supervisors and co-workers. And fair interpersonal treatment is also a strong predictor of job satisfaction and turnover.

Finally, one's supervisor or co-workers may aid the person to attain some valued outcome. For example, a new employee may be not familiar with his/her new job, such as what goals to chase or how to achieve those goals. He/she will likely be happy with a supervisor or with co-workers who can assist them to explain details about the goals or guide him/her accordingly.

3.1.3. Measuring Job Satisfaction

There are many methods for measuring job satisfaction. The most common method for collecting data regarding job satisfaction is the Likert scale. Other less common methods of for gauging job satisfaction include: Yes/No questions, True/False questions, point systems, checklists, and forced choice answers.

The Job Descriptive Index (JDI), created by Smith, Kendall, & Hulin (1969), is a specific questionnaire of job satisfaction that has been used commonly. It measures one's satisfaction in five facets namely pay, promotion opportunities, co-workers, supervision, and the work itself. The scale is easy and simple, and all the participants

need to do is to answer either yes or no. One disadvantage of the JDI is that one cannot decide in response to the given statements accurately about his/her job.

The Job in General Index is another way which is an overall measurement of job satisfaction. It is a better indicator compared to the Job Descriptive Index because the JDI concentrates too much on individual aspects and but not work satisfaction in general.

Besides the two which have been mentioned, job satisfaction questionnaires also include the Minnesota Satisfaction Questionnaire (MSQ), the Job Satisfaction Survey (JSS), and the Faces Scale. MSQ can generally be divided into two groups ---the long and short forms. While the former measures job satisfaction in 20 aspects with five questions from each aspect, making a total of 100 questions, the latter includes a total of 20 questions with one question for each aspect. The JSS is a 36-item questionnaire that emphasizes on nine aspects of job satisfaction. At last, the Faces Scale of job satisfaction, being one of the first scales used commonly, measured all the job satisfaction with just one item which participants respond to by choosing a face. It is easy for people to understand and answer it quickly.

3.1.4. Factors Affecting Job Satisfaction

- Teamwork

According to Jeff Atwood, “The people you choose to work with are the most accurate predictor of job satisfaction I’ve ever found.” During the times employees

were most motivated and happy with the right team because they worked well together. They knew each others strengths and weaknesses, and were aware of how to maximize the strengths while improving the weaknesses. Employees also respected each other's experience, knowledge, and others.

Good teams are made up of good employees who work well together. To attract top talent, the organization should provide a good working environment. If the working environment doesn't rank well for the satisfaction, it would not attract good employees, and therefore has virtually no chance of building a good team. This is why the strength of the development team is the number one predictor of job satisfaction.

- Quality of Projects

Intelligent people get bored when they are doing the same things all the time. If employees always do the same things and have no chance to change it, they will be unhappy and feel no interesting and challenge. Most developers crave learning new things and are able to apply them.

The past researcher indicated that employees need to take some time to think about the skills they have learned lately and the problems they have solved. This would give them a good idea because it was not only how satisfied employees were in this area, but also how well they were advancing in their career.

- Work-Life Balance

Many jobs need employees to work for long time a day. If the company always asked the employees to work extra over certain operating hours, ultimately it will lead to employees to feel burnout and be satisfied with their current job.

Work-life balance is important for employees to provide good performance. Many people on the track to burnout are not even aware of it, so managers gave advices that employees can talk to family and friends to help them measure how well they are balancing work with other activities and obligations.

- Recognition and Respect

Employees who are good at what they do and can use their knowledge to make new decisions. Management that disregards the employees to give good advices or does not consider them when it makes sense to do so will be left with uncooperative and dissatisfied developers when it comes to implementing an idea.

Have you been allowed to undertake difficult projects? Are your ideas taken into consideration? Are you congratulated for meeting important milestones? These are all good measures of employees' recognition and respect within a company. If employees always participate in some meetings for decision making which they are disagreed with, it will cause job dissatisfaction.

- Bureaucracy & Politics

In general, happy, satisfied employees are busy working and are making progress towards a goal. As a group, employees do not like to find themselves in endless meetings that accomplish nothing, trapped in budget disputes, or without adequate resources to perform their best work. If tasks are constantly paused or held back by requirements that constantly change or are missing, management decisions, or lack of direction, employees will be frustrated and unhappy. The worst scenario will be, if employees are left with nothing to do due to excessive bureaucracy and policy decisions, they will see that their skills are not being used and are therefore not valued. This leads not only to dissatisfaction with the bureaucracy, but also causes dissatisfaction with the amount of recognition and respect that they have.

- Compensation

This is one of the easiest factors of job satisfaction to measure. Some quick research at online job boards gives a good idea of compensation packages for similar jobs in the same area. Discovering compensation packages for people in company can also be valuable information. Obviously if employees are under-compensated level that they will not feel satisfied, and on the flip side if they are compensated well they rank as highly satisfied on this area.

3.2 Pay and Benefits

For most people, work is their primary source of income and financial security. Pay is an indicator of status within the organization as well as in society as large. Thus, for some people, pay is a good way to reflect self-worth, so pay satisfaction takes on critical significance when it comes to retention.

One of the main dimensions of satisfaction with pay deals and pay levels that is the absolute amount of income that associated with job. Indeed, when it comes to retention, employees being recruited away from one organization by another are often attracted with promises of higher pay levels than existing organization. Benefits also make up a large portion of any worker's total compensation package.

Satisfaction with benefits is another important dimension of overall pay satisfaction. Because many individuals have difficult times finding out the true dollar value of their benefits package, this dimension however may not always be as silent to people as pay itself.

Whereas satisfaction with pay level and benefits reflects an interest in the absolute value of these dimensions, two other important aspects of pay satisfaction take on a more relative nature. Satisfaction with pay structure deals with how happy the person is with the manner in which pay within the organization is rank ordered across different job types. A manager of a sales force, for example, may be satisfied with her overall pay, but if she finds that due to sales commissions, some subordinate actually winds up with higher pay, then dissatisfaction with the structure of pay may result. Finally, relative to changes over time, satisfaction with raise also needs to be

considered. People generally expect that their pay will increase over time, but in fact, this expectation is not met the requirement, they may wind up dissatisfaction with pay raise.

3.2.1. Salary Structure

Salary structure is a significant factor in any successful compensation strategy. Organizations carefully weigh several factors while designing their market competitive salary structure that will help the organization to decide their compensation.

The most important types of pay structure, or salary structure, are:

- Graded Structures

It is a sequence of overlapping job grades into which jobs of broadly equivalent size are allocated. Each grade has a range. The range is the maximum of which is usually from 20% to 50% above the minimum.

A company must determine how many grades are needed, choosing a reasonable number that is based on how many employees work in the organization today and how many kinds of jobs in the organization. The number of grades can always be expanded in future. For example, a company of 30 people might start with 10 grades, although smaller companies normally do not benefit from pay grades as much as other larger companies because of the frequent instance of mixed positions in small companies.

A company should also give each grade a spread, so that people can move within their grade as they work hard to move up in their positions. In addition, to create a minimum and a maximum for the whole company is always recommended. The midpoint of the lowest grade should reflect the lowest value of the lowest job. And the midpoint of the highest grade should reflect the highest value of the highest job.

- Broadbanding

Broadbanding (or called 'broad grades') is the structure that is the consolidation of traditional pay structures. It makes up of many, and narrow pay ranges into a few, wider ranges or bands. It is intended to support feasible organizational cultures.

Broadbands are very important for organizations with competency-based pay programs, but are also used in organizations with other programs that are longevity- and performance-based pay programs. Organizations use broad banding to facilitate change, avoid many kind of pay structures, drive pay decision-making downward (empowering managers), and also provide greater latitude in management pay decisions, promote lateral moves or in-grade promotions, reduce use of promotions to increase pay, promote career development or learning, reduce the need for precise job analysis or evaluation, broadly-defined jobs. It focuses on the person that is instead of the job and assists in quick responses to changing goals and circumstances.

- Job Family Structures

Each job family has a different graded structure. Jobs are allocated to a job family based on their activities; skills and competencies e.g. Information Technology is a perfect example of a job family for which there is usually a separate grade structure.

By arranging roles into job families, employers have greater flexibility to change in the pay for particular groups of jobs according to the market. However, some organizations believe in aligning their job families against a single salary scale where the pay bands for jobs at the same level are the same across every family offers greater transparency in terms of equal pay for work of equal value. (Incomes Data Services, 14 April, 2008)

3.2.2. Problems of Perceived Fairness

Perceived equity and fair differentials are important elements in any salary structure, to achieve its aim of attracting, holding (and to some extent, motivating) employees. Apart from the subjective aspects of assessment, grading and discretionary increment systems, there are typically problems associated with:

a) Distortion of the salary structure, by factors such as salary attrition, and drift. Jobs should be meticulously graded and re-graded, non-merit-related awards should be controlled, and where average appears to be dropping, the situation should be explained to staff.

b) The 'squeezing' of differentials.

Employees may benefit from negotiated increase, overtime and bonuses, which their supervisors may not get. This upward pressure may be a cause of dissatisfaction to supervisors who feel that their particular contribution is not being acknowledged. The only solution is to maintain differentials between the target salary for the supervisor grade, and the average earning earnings (with overtime) of the subordinates. Panic measures, creating a knock-on effect on all other grades, should be avoided; the overall span of salary levels should be wide enough to allow for 15-20% differentials to be maintained between each grade.

c) Salary Limits.

There may be a problem motivating individuals who have reached the top of their grade scale but cannot be promoted out of the grade. The situation must be made quite clear to employees: secrecy will only deprive the employee of a perceived goal (ie. promotion) which will be a further source of demotivation. Special bonuses may also be allowed, in exceptional circumstances.

d) Market Rates.

Where market rates exist and can be determined, they will influence salary levels. However, they may (e.g. when a category of staff is in short supply) indicate salaries higher than internal job evaluation would: differentials are upset, and employees see apparent in justice. It may not be possible to recruit and retain suitable staff without sacrificing equity to some extent. Jobs subject to such market pressures should,

however, are ‘red-circled’, i.e. noted as exceptions in the salary structure: adjustments may therefore be made later, as a result of regular audits of market rates, and disappearance of anomalies as market rates deflate.

3.2.3. Other Benefits

Companies should provide other benefits besides the salary. Commonly they should offer benefits of two types: those that must be offered because they are required by law and those that most organizations typically have given to their personnel.

- Life, Disability, and Health Insurance

Major types of traditional benefits consist of insurance coverage. Most organizations offer health insurance to their employees and pay a major portion of the premiums for this coverage. Life insurance is often based on the individual’s annual salary so that the premium provides protection.

In recent years, health coverage costs have increased very quickly, but have become an expected benefit. Even though firms are trying to manage for cost containment through co-payment and preferred providers, to include a variety of health care including prescription drugs, vision care products, Mental health services, and dental care.

- Federal Government-Mandated Benefits

One traditional government-mandated benefit is social security. The initial purpose of social security, known as the “old age survivors and disability insurance program”, was to provide limited income to retired people to supplement such things as their

personal savings, private pensions, and part-time work earnings. Both employees and employers are required to pay a social security tax. In addition, both employees and their employers also need to pay Medicare taxes. Although payments will vary depending on a number of factors, such as the age at which the person elects to start receiving them, this federal government-mandated program in turn pays both a retirement and Medicare benefit.

Another mandated benefit is workers' compensation. This is an insurance that covers individuals who suffer a job-related illness or accident. Employers pay the cost of this insurance.

- Pension Benefits

In addition to the pension benefits that are provided by social security, most organizations have also established private pension plans. Contributions are generally made by both the employer and employee, and there are a variety of plans available. Many of these plans are invested in stock and when the market stock values go, these pension plans do very well, but of course when reserve accrue, the pensions of many people take a big hit.

- Time-Off Benefit

Another common benefit, often taken for granted by many, is paid time off. In most organizations employees are entitled to at least one week of vacation with pay after being with the firm for one year, and by the end of five years, most are given at least two weeks and, in some cases, as many as four.

Another form of time off is paid during religious holidays. Still another is paid sick leave. In many organizations individuals are given a predetermined number of sick days per year, such as six, whereas in others there is no limit. Finally, many firms give paid personal leave such as a day to attend the funeral of a friend or relative or for simple personal reasons. (Organizational behavior Fred Luthans 2008)

Of course, pay is not the only factor that affects workers' resistance to taking on tasks outside their normal duties. Employees quickly sense when lower paid jobs are not as valued by management. Managers may underscore the importance of the job, which also serves as a good reminder of what the employee does.

Chapter Four

Findings and Analysis of Findings

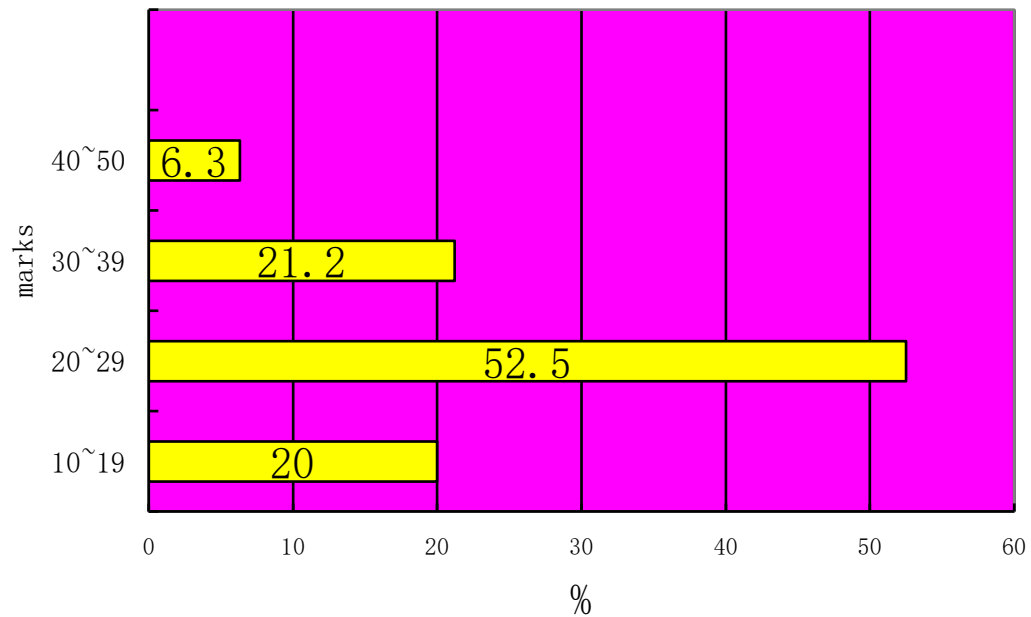


Figure 1: Satisfaction Of Job By Employees (in %)

Out of the 123 respondents, all have already worked in the organization at least two years. They come from different levels in the organization. A high 80% of the employees are satisfied with their jobs whose marks are above 20. 20% of the respondents are less satisfied with their current job due to some reasons.

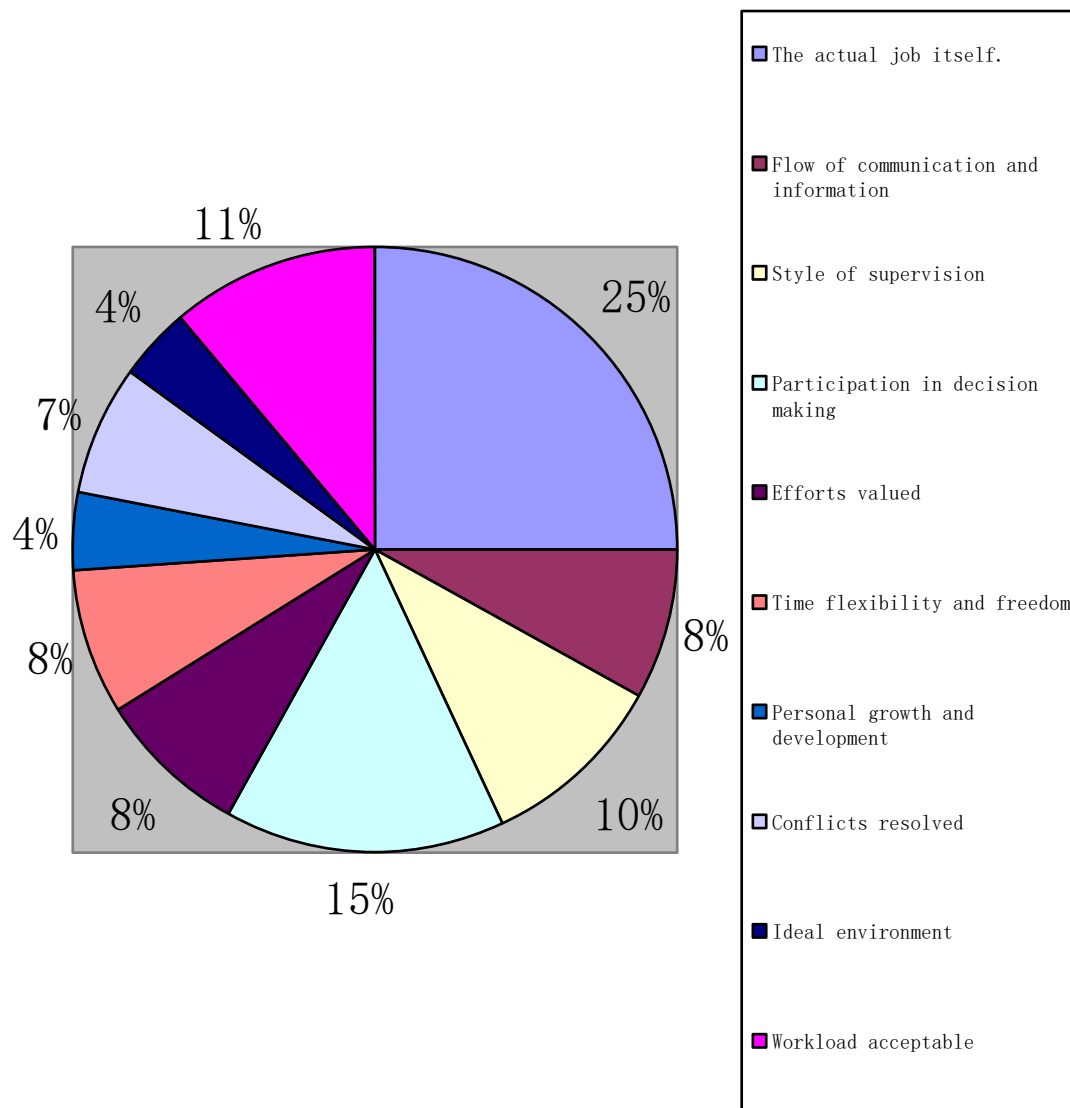


Figure 2: Reasons Why Employees Are Dissatisfied Their Job (in %)

There are many reasons why employees are dissatisfied with their current job. Managers and human resource professionals need to be aware of these because they are the levers which can raise job satisfaction and reduce employee withdrawal. This is an issue in which those who are dissatisfied will be more inclined than others to: produce low quality output, go on strike, and be absent from work, invoke grievance

procedures and leave the organization eventually.

Based on Figure 2, it was shown that the main reason for employees, dissatisfied with their job is due to the actual job itself (e.g. One lady studied economy in the university, but now she works in HR department and has no interest in HR management.), showing a reasonable high percentage of 25.0%. Ranked in second place giving a value of 15.7% is due to the factor of decision making. Employees want to participate in the important decision making so that they will a sense of importance feel for the organization and the gradually increase their self-confidence. The managers should listen to the employees' suggestions, and invite some of the different levels to join in their meetings. Another 10.3% of the respondents argued that are dissatisfied about their job because their superiors did not allocate adequate amount of work for them, be it too much or too little. As a result, employees do not put so much emphasis and effort as they do not work in the company happily.

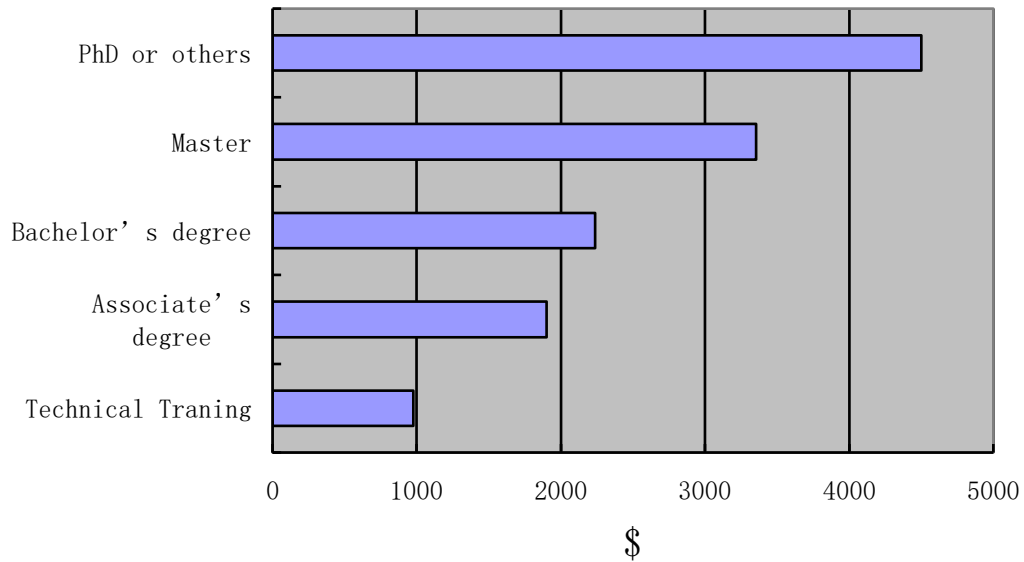


Figure3 Salaries by Education Level

The bar graph in figure 3 shows the suggested basic salaries for each of the category. Employees whose education is college/technical training have the lowest salary, i.e. below \$1000, probably because they have not enough knowledge to handle high technical problems. On the contrary, candidates who obtain a PhD and master degree get the highest amount of salary, ranging from 3001 to 4300.

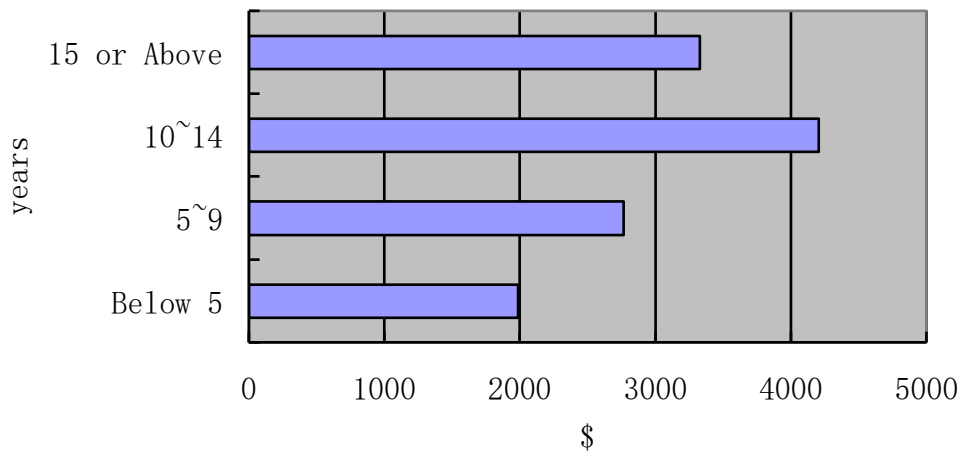


Figure 4 Salaries by Years of Experience

Figure 4, shows the relationship between years of working experience and monthly salary. Employees with 10 to 14 years of experiences have the highest salary whereas those with less than 5 years of experiences have the lowest. There is one interesting finding about the above results. Employees with more than 15 years of working experience earn a lower salary than those with 10 to 14 years of experience. In order for a company to maximize profits, managers should use some experienced employees to avoid loss in unnecessary mistakes. The experienced employees can work more proficiently by saving time and cost. Employees with less than 5 years of experience are required to undergo on-the-job training, and sometimes they are not able to solve difficult problems.

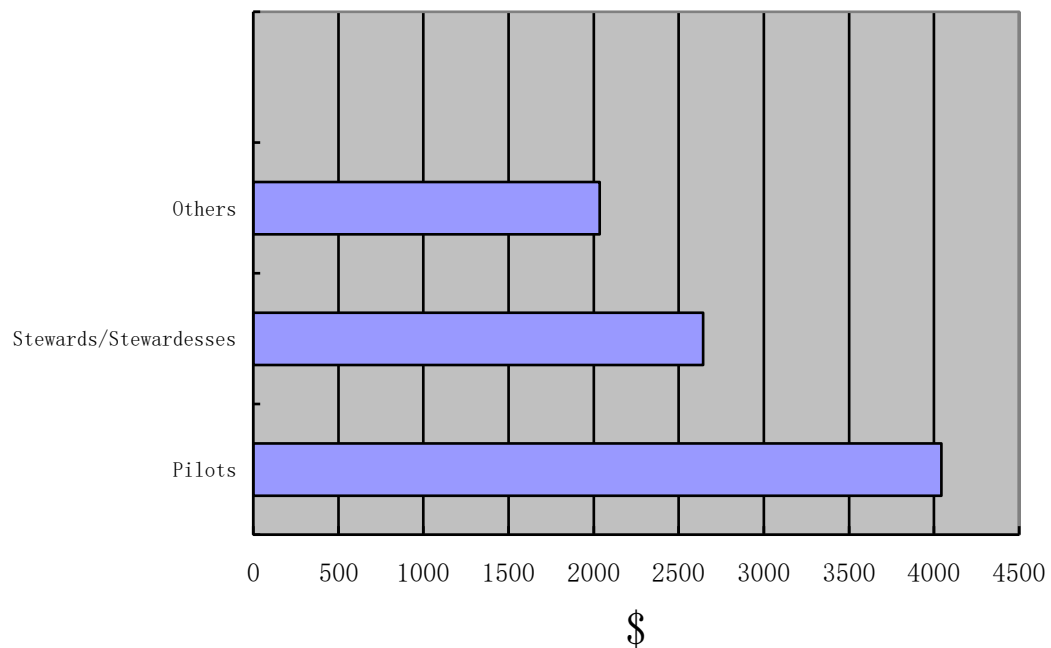


Figure 5 Salaries by Job Function

From Figure 5, We can see that pilots earned the most with a figure of \$3401 or above and salary of stewards or stewardesses are lower ranging are between \$2201 and \$2600. Pilots play important roles that deal with all the operations in the aircraft. They need to have high level of education background, undergo long period of training and have tests of many kinds, it will because more stresses to them. Organization must pay high salary to satisfy them and retain them.

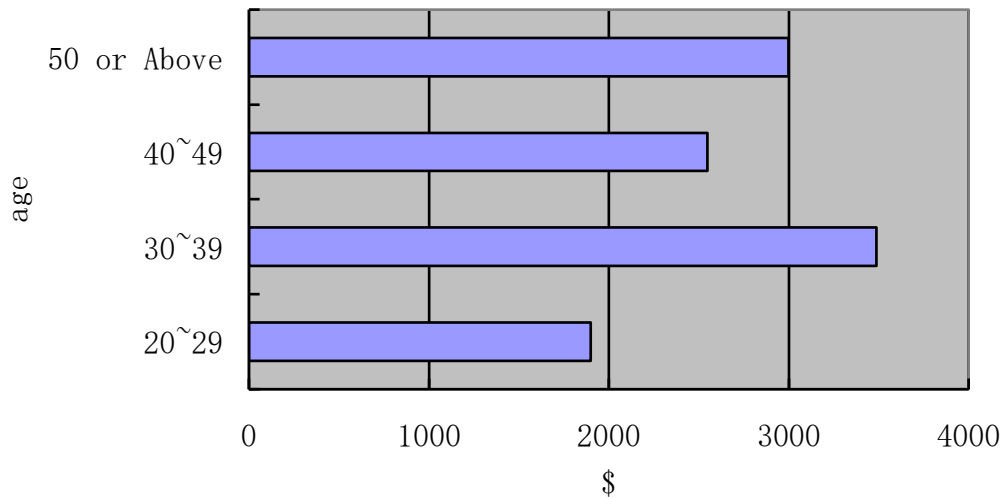


Figure 6 Salaries by Age

Based on Figure 6, it is observed that employees whose age is from 30 to 39 take the highest salary in the organization. The reason for this is probably due to the fact that groups of employees has enough experience, proficient technology, give valued suggestion for decision making and absorb new information to improve quality of products and services. Furthermore, they are also better in term of their health conditions than the other two age groups (40 to 49 and 50 or above). Therefore the organization tends to put these employees on managing the department. Employees who are between 20-29 earned the lowest salary because they are the youngest employees in the company. They may have just graduated from schools and had never worked before or at most worked for less than 8 years and therefore do not have enough working experience. Organization should pay more attention on training and teaching them.

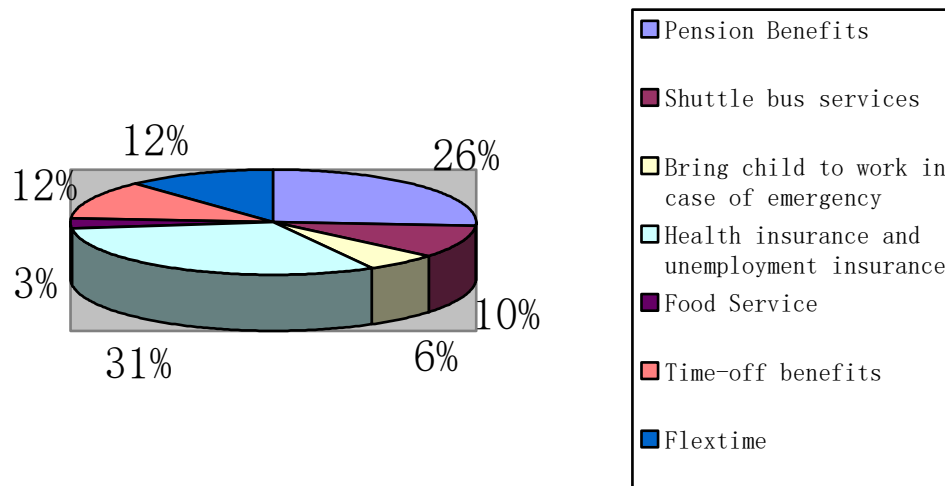


Figure 7 Reasons why people choose China Eastern Airline to work

The findings shown in Figure 7, it shows the reasons why people choose to work in China Eastern Airline. “Health insurance and unemployment insurance” (31.7%) as well as “pension benefits” (26.2%) mark the top 2 reasons on the list. In order for an organization to recruit new employees and retain current employees, they should value their employees as much as they can. If possible, the organization should provide more welfare benefits to the employees. The third highest selection is due to the reason that China Eastern Airline provides time-off benefits. Employees are entitled to at least one week of vacation paid leave after being with the firm for one year, and are given at least two weeks by the end of five years,. The organization also pays during religious holidays and sick leave.

Chapter Five

Comments and Discussion on Job Satisfaction and Pay & Benefits

5.1. Strengths of the Organization

(1) Job Satisfaction.

In order to recruit new and retain existing employees, China Eastern Airline put more time and energy on employees' job satisfaction. I will now discuss 3 of the reasons from the results in figure 2.

- From the analysis of our findings, it has been shown that the employees of China Eastern Airline are generally satisfied with the personal growth and development. China Eastern Airline has invited many famous professors to enrich the employees with new knowledge about their work and provide some training courses for different levels' needs. Occasionally, she also sends out some employees for overseas training. The organization requires every employee to constantly get self-improved. The employees can learn more and have the chance to be at a higher position in the organization. Unlike China Eastern Airline, most of the organizations do not provide many opportunities for employees to increase their personal growth.
- Employees are very satisfied with their working conditions as evident from figure 2. The organization provides a safe, clean and neat environment for workers in the airline maintenance department. The management should also bring up the awareness of preventing fire in order to create a safe environment in the warehouse. They could come out with variety of warning signs, such as "No Smoking" and "No Flammable Substance" to be put on the wall. All the employees from maintenance department are required to take a safety test monthly to enhance safety awareness. The test does not exist in every organization but China Eastern Airline is one of those which conducts the test. It allows the employees to be more familiar with safety precautions to ensure the

safety of the factory. Safe working environment makes employees relieved and increases their work efficiency.

- To resolve conflicts in the shortest time, the management of the organization should hold a once-a-week meeting where all the staff gathers around to discuss the progress and also the difficulties faced by the company. In this way, both employers and employees will have a better understanding with one another and therefore any kind of conflicts can be resolved quite easily.

(2) Pay and Benefits

China Eastern Airline provides some good benefits for their employees, such as pension insurance, health insurance, unemployment insurance, housing accumulation fund and other benefits by law. Besides these, they also provide shuttle bus services in different areas which provide great convenience for the workers. The employees are entitled to leaves for festivals, vacations, public holidays, and handling funeral affairs, and maternity for women. Trainings are also provided for new employees for 2 to 4 weeks during the probation period, as to get knowledge about the organization's policy, job requirement and basic technique for customer service. Also, the company provides different kinds of training to employees as to equip and prepare them for various kinds of licenses examination.

The health of the employees is also taken care of as China Eastern Airline provides free body check-up once or twice a year to ensure their health conditions. A psychological counseling room is open to attend to employees' worries especially for employees who are working on the plane because they have more stress than others.

The organization needs every employee to be physically and psychologically ready for work.

5.2. Weaknesses of Organization

(1) Job Satisfaction

Some of employees are not satisfied with their job in China Eastern Airline due to the ease of communication, salary, the style of supervision and so on.

From the analysis of findings, it appears that the employees are mostly dissatisfied with the actual job itself. It is partly due to the incompetence of managers when recruiting suitable candidate to fit the required position. The irrelevant hirer will have lost their interest in a very short time, and leads to high turn-over rate, which is a waste of resources and not value-added.

Secondly, job scope is too dull for some positions that cause employees to feel unhappy. China Eastern Airline should have provided chances for the workers to change from department to department because some employees may be interested in other job natures. This will not only effectively retain talented employees, but, also improve their robustness in various tasks.

Thirdly, some lower tier employees do not have chances to reflect their idea on certain organization's decisions. This may have been caused by a lack of worker union or awareness by top management.

(2) Pay and Benefits

According to the findings, it shows that China Eastern Airline's reward system might not be well established for some employees' category. One example is to an incident which happened in March 2008, when, 9 pilots deliberately returned flights to base after departure as to demonstrate their dissatisfaction in the salary system when compared to same level of job scope in other airlines.

The action by the 9 pilots, in actual fact is un-condonable. However, it has severely damaged the company's image and reputation which are highly due to the lack of attentiveness by management to basic needs of the pilots.

Chapter Six

Conclusion and Recommendation

6.1. Conclusion

To sum up, China Eastern Airline should focus on human capital to improve their productivity through job satisfaction and pay & benefits systems. And they must retain talents and recruit suitable employees to help the organization achieve the goals.

6.2. Recommendations

1. Improve the Recruitment and Selection System.

From analyzing the weaknesses of China Eastern Airline in the job satisfaction aspect, it shows the organization is not good at interview and selection system. The irrelevant hirer would have lost interest in a very short time if he/she is given the wrong job position. So the managers should improve the system in order to recruit suitable candidates to fit the required positions.

Firstly, the HR managers need to design a useful application form for the applicants which can get enough information to determine whether the individual is minimally qualified for the position. The managers may use an unstructured interview style to conduct with the applicant so that there will not be any predetermined script or protocol. This will help know useful insights about the applicant.

Secondly, employment tests are important in the interview system because they can

assess the match between applicant and job requirements. There are some employees who are dissatisfied with their job because they are just not interested in it. So they should ask the relevant questions so that their future job performance can be toughly predicted.

The next thing is managers should check for the accuracy of the information provided by the employees if necessary. It helps China Eastern Airline to ensure every detail of applicants is correct. Finally, the organization should provide physical examination to screen out disqualified individuals.

China Eastern Airline follows the steps to recruit the employees that can recruit suitable employees. Employees like to do work that will increase their job satisfaction and improve the productivity.

2. Enhance Job Design

The second reason for job dissatisfaction is that the job scope is too dry. China Eastern Airline may redesign the job content that can attract more.

Job Enlargement and Job Enrichment

Job enlargement means increasing the scope of a job through extending the range of its duties and responsibilities. Many employees are repeating the same steps on each product, which leads to feel boredom and decrease work effectiveness and efficiency.

So the organization should make tasks more interesting, and challenging, in order for workers to stimulate a sense of participation, and concern and belonging for the company. For example, China Eastern Airline needs to provide multiple training courses for different employees. The stewardesses can join the courses to learn other

knowledge which enable them to work in the airport to sell tickets, do customer service and so on. They can shift the job position that can make job more challenging as they do not work in same steps every day. This will also help the organization to save cost and manpower. When employees have some emergent matters to settle that need to for several days, employees from other departments can stand in their duties as they have been trained before. So the organization needs not recruit a new employee.

But to be practical, if jobs are enriched, employees will expect to be paid more for the extra duties they are doing. It might be more correct therefore to say that job enrichment may improve productivity through grater motivation, but the salaries for the employees will need to adjust accordingly.

3. Emphasis Lower Tier Employees

Some lower tier employees do not have the chances to reflect their ideas on certain organization's decisions. So the higher level executives should go down to the several departments once a month to attend to the employees' needs and listen to their opinions which can be reflected in the next meeting. The lower tier employees will be happy because they feel that the organization attaches great importance to them and they will work harder to help the organization to achieve its objectives.

4. Adjust The Salary Structure To Ensure Fairness

China Eastern Airline provides lower salary to the employees especially for pilots. They are mostly dissatisfied with it and will want to go on strike and eventually leave the organization. The organization should therefore adjust their salary to retain them

because they are the talents with high educational qualifications.

The organization should use the graded structure which is based on job evaluation (i.e. an assessment of their value) to set salary of each level. For each grade, there is a salary scale or range, i.e. minimum and maximum salary levels for jobs in that grade. And the organization also needs to develop competitive pay and benefits levels and a logical internal salary structure, it is useful to know and understand what is happening in other organizations that may be competing to recruit the same staff. For example, pilots are high-tech and high educational position and they should be provided high salary. To compare with other airline organizations, that is way much lower. And they also feel unfair. They argued that under the same level of condition, the foreign pilots' salary is above their 3 times, and yet the working time is so much shorter. China Eastern Airline may need to adjust (reduce) foreign pilots' salary to ensure fairness or increase their work intensity because the amount of salary also relates to the job performance. They also increase the range of the minimum and maximum salary in the grade to be passionate towards their job --- flying.

Appendix A

Section 1

Preliminary Survey on Job Satisfaction

This is a comprehensive preliminary survey for the job satisfaction evaluation. Please circle the appropriate response, where “1” is the lowest satisfaction, “3” is average, and “5” is the highest satisfaction.

<u>Job satisfaction</u>	<u>Low</u> <u>High</u>				
1) Are you satisfied with the actual job itself?	1	2	3	4	5
2) Do communication and information flow around your organization effectively?	1	2	3	4	5
3) Are you satisfied with the style of supervision?	1	2	3	4	5
4) Are you given an opportunity to participate in any important decision making?	1	2	3	4	5
5) Do your efforts valued by the company?	1	2	3	4	5
6) Do you feel time flexibility and freedom in your job?	1	2	3	4	5
7) Does the job help you for personal growth and development?	1	2	3	4	5
8) Are conflicts within the company resolved easily?	1	2	3	4	5
9) Is the working environment ideal?	1	2	3	4	5
10) Is the work load acceptable?	1	2	3	4	5

Comments & Suggestions:

Date: _____

Department: _____

Name: _____

Years in the company: _____

Contact #: _____

Thank You For Your Time

Appendix B

Pay and Benefits Evaluation Form

Please take a few moments to answer the following survey questions, as your opinion is valuable input for the company pay and benefits system improvement. Please complete all questions, writing comments where appropriate. Thank you for your responses.

Please check the response that best represents your feelings.

Pay and Benefits (based on employees who work for the airline)

Section 1

1. Sex

☐ Male ☐ Female

2. Age

☐ 20~29 ☐ 30~39 ☐ 40~49 ☐ 50 or above

3. Position held

☐ Pilots ☐ Stewards / Stewardesses ☐ Others

4. Educational Background?

☐ Some college/technical training

☐ Associate's degree

☐ Bachelor's degree

☐ Master

☐ PhD or others

5. Monthly Salary

- ☐ Below \$1800
- ☐ \$1801~\$2200
- ☐ \$2201~\$2600
- ☐ \$2601~\$3000
- ☐ \$3001~\$3400
- ☐ \$3401 or above

6. Years in the organization

- ☐ Below 5 years
- ☐ 5 years~9 years
- ☐ 10 years~14 years
- ☐ 15 years or above

Overall, are you satisfied with your current salary?

- ☐ Mostly satisfied
- ☐ Satisfied
- ☐ Neither satisfied or dissatisfied
- ☐ Dissatisfied
- ☐ Mostly dissatisfied

Comments & Suggestions:

Date:_____

Name:_____

Contact #:_____

Thank You For Your Time

Section 2

Please tick the appropriate marks from 1 to 5, where “1” is the company did worst performance, “3” is average and “5” is the best.

Other benefits

	Strongly Disagree				Strongly Agree
	1	2	3	4	5
a. Pension Benefits					
b. Shuttle Bus Services					
c. Bring child to work in case of emergency					
d. Health Insurance and Unemployment Insurance					
e. Food Service					
f. Time-off benefits					
g. Flextime					

Other benefits you desire (if any)

Date:_____

Department:_____

Name:_____

Years in the company:_____

Contact #:_____

Thank You For Your Time

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